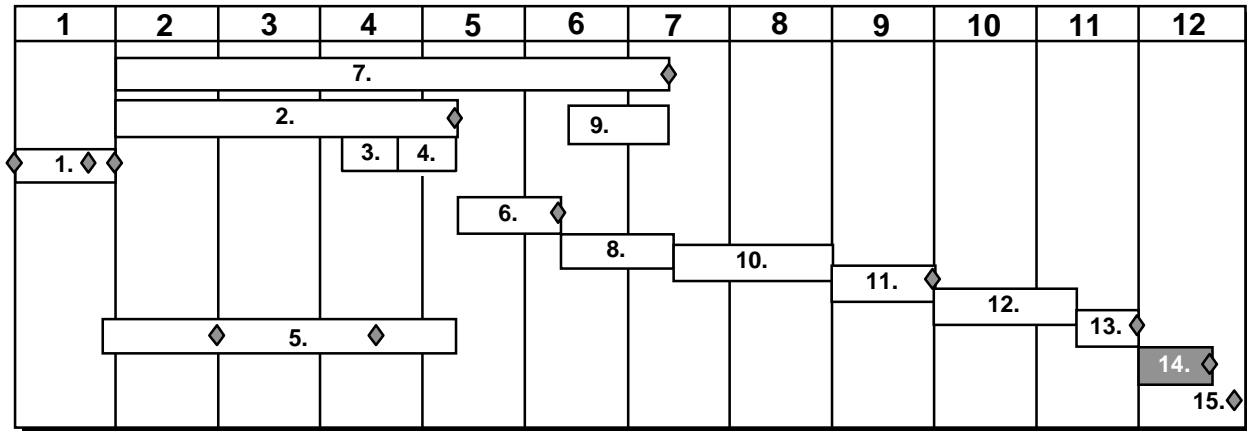


## STEP 14: COMPARE GOVERNMENT AND CONTRACTOR PROPOSALS

### 14.1 OVERVIEW



◇ Major Milestone Event

The purpose of this step is to compare the best value contractor proposal with the government proposal prepared by the CA team and make a tentative selection decision. The comparison is managed by the contracting officer and conducted in two stages. The first stage is reviewing the government and contractor technical proposals. The second stage is review of the government and contractor cost proposals.

**CO Tip: The comparison of the government proposal and the contractor proposal and the completion of the cost comparison form is a major milestone.**

With the selection of the best value contractor offer, the contracting officer submits to the Source Selection Authority (SSA) the government's Technical Performance Plan, which must comply with the technical proposal requirements of the solicitation. The SSA evaluates the Technical Performance Plan and assesses whether the same level of performance and performance quality as the best value contractor proposal will be achieved.

**CO Tip: The Source Selection Authority should not review or have access to the In-House Cost Estimate prior his or her evaluation of the Technical Performance Plan.**

If the SSA determines that the government's Technical Performance Plan does not offer the same level of performance as the contractor offer, the Technical Performance Plan is returned to the CA team to be revised. The CA team makes all changes necessary to meet the performance standards accepted by the SSA. If necessary, the MEO and the In-House Cost Estimate are recalculated based on this revision and resubmitted to the IRO for acceptance. This will ensure that when the IHCE is compared to the cost of the contractor offer, the cost comparison is based on the same scope of work and performance levels.

**CO Tip: The Commanding Officer should be aware that the government's disclosure of information in the contractor's proposal is governed by the FAR.**

After the Technical Performance Plan has been accepted by the SSA, the contracting

officer then opens the government and contractor cost proposals and completes the cost comparison form (CCF). A tentative decision is made based on the results of the cost comparison. If the contractor's cost proposal is lower than the government's proposal (taking into consideration the minimum cost differential requirement), the contractor is tentatively selected to perform the commercial activity. The minimum differential is the lesser of 10 percent of the personnel costs in the government IHCE or \$10 million over the performance period. The purpose of the minimum cost differential is to avoid the disruption of converting performance of the commercial activity based on a minimal cost savings. If the contractor's cost proposal is not 10 percent lower than the IHCE (or \$10 million over the performance period, whichever is lower), then the MEO is selected to perform the commercial activity.

**CO Tip: The Commanding Officer's leadership throughout the entire process directly affects the quality of the tentative decision. By taking ownership of the process from Step 1, the Commanding Officer leads the CA team to a tentative decision based on merit and fairness. The CCF and the numbers reflected therein are the basis for the tentative decision.**

The contracting officer notifies the Commanding Officer of the tentative decision and makes any other notifications prescribed by service directives before the announcement of the tentative decision in Step 15.

## **14.2 ROLES AND RESPONSIBILITIES**

### **KEY PLAYERS**

- **Source Selection Authority**

Reviews the Technical Performance Plan to determine if it offers the same level of performance and performance quality as the contractor's offer. If it does not, the Technical Performance Plan is returned to the CA team for revision and the In-House Cost Estimate is revised and resubmitted to the IRO for review.

- **Contracting Officer**

After the SSA has accepted the Technical Performance Plan, the contracting officer reviews the government and contractor cost proposals and completes the cost comparison form. The contracting officer notifies the Commanding Officer and other appropriate officials of the tentative decision before announcing the decision.

- **CA Team/CA Team Leader**

If necessary, the CA team revises the Technical Performance Plan and revises the IHCE. The CA team leader forwards the IHCE to the IRO for review and approval.

### **ADVISORY PLAYERS**

- **Legal**

Provides legal advice to the SSA and contracting officer regarding FAR restrictions on the disclosure of information contained in contractor proposals.

## **14.3 CHECKLISTS FOR KEY PLAYERS**

- **Source Selection Authority**

1. Reviews Technical Performance Plan.

2. If necessary, returns Technical Performance Plan to CA team for revision.

- **Contracting Officer**

1. Completes and signs cost comparison form.
2. Notifies Commanding Officer and other appropriate officials of the tentative decision.

- **CA Team Leader**

1. If necessary, revises Technical Performance Plan as required
2. Revises IHCE to reflect changes in price resulting from revision of Technical Performance Plan
3. Forwards revised IHCE to the IRO for review and approval
4. Signs cost comparison form.

- **Independent Review Officer**

1. Reviews and approves IHCE
2. Signs cost comparison form.

## 14.4 TASK TEMPLATES

### TEMPLATE 14.4.1: COST COMPARISON FORM IN-HOUSE VS. CONTRACT OR ISSA PERFORMANCE

	1st	2nd	3rd	Add'l	Total
<b>IN-HOUSE PERFORMANCE</b>					
1. Personnel					
2. Material and Supply					
3. Other Specifically Attributable					
4. Overhead					
5. Additional					
6. Total In-House Cost	_____	_____	_____	_____	_____
<b>CONTRACT OR ISSA PERFORMANCE</b>					
7. Contract/ISSA Price					
8. Contract Administration					
9. Additional					
10. One Time Conversion					
11. Gain on Assets	( )	( )	( )	( )	( )
12. Federal Income Taxes	( )	( )	( )	( )	( )
13. Total Contract or ISSA	_____	_____	_____	_____	_____
<b>DECISION</b>					
14. Minimum Conversion Differential					
15. Adjusted Cost of In-house Performance					_____
16. Adjusted Total Cost of Contract or ISSA Performance					_____
17. Decision - Line 16 minus Line 15					_____
18. Cost Comparison Decision: Accomplish Work:					_____
In-house					_____
Contract or ISSA					_____

19. In-House MEO Certified By: \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Office and Title

I certify that, to the best of my knowledge and belief, the in-house organization reflected in this cost comparison is the most efficient and cost effective organization that is fully capable of performing the scope of work and tasks required by the PWS. I further certify that I have obtained from the appropriate authority concurrence that the organizational structure, as proposed, can and will be fully implemented —subject to this cost comparison, in accordance with all applicable federal regulations.

20. In-House Cost Estimate Prepared By: \_\_\_\_\_ Date \_\_\_\_\_

21. Independent Reviewer: \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Office and Title

I certify that I have reviewed the Performance Work Statement, Management Plan, In-House Cost Estimates, and supporting documentation available prior to bid opening, and to the best of my knowledge and ability, have determined that: (1) the ability of the in-house MEO to perform the work contained in the Performance Work Statement at the estimated costs included in this cost comparison is reasonably established; (2) that all costs entered on the cost comparison have been prepared in accordance with Circular CA-76 and its Supplement.

22. Cost Comparison Completed By: \_\_\_\_\_ Date \_\_\_\_\_

23. Contracting Officer: \_\_\_\_\_ Date \_\_\_\_\_

24. Tentative Cost Comparison  
Decision Announced By: \_\_\_\_\_ Date \_\_\_\_\_

25. Appeal Authority (if applicable): \_\_\_\_\_ Date \_\_\_\_\_

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